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(49)

DIRECTORATE OF
INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

NSA review completed

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27 December 1966

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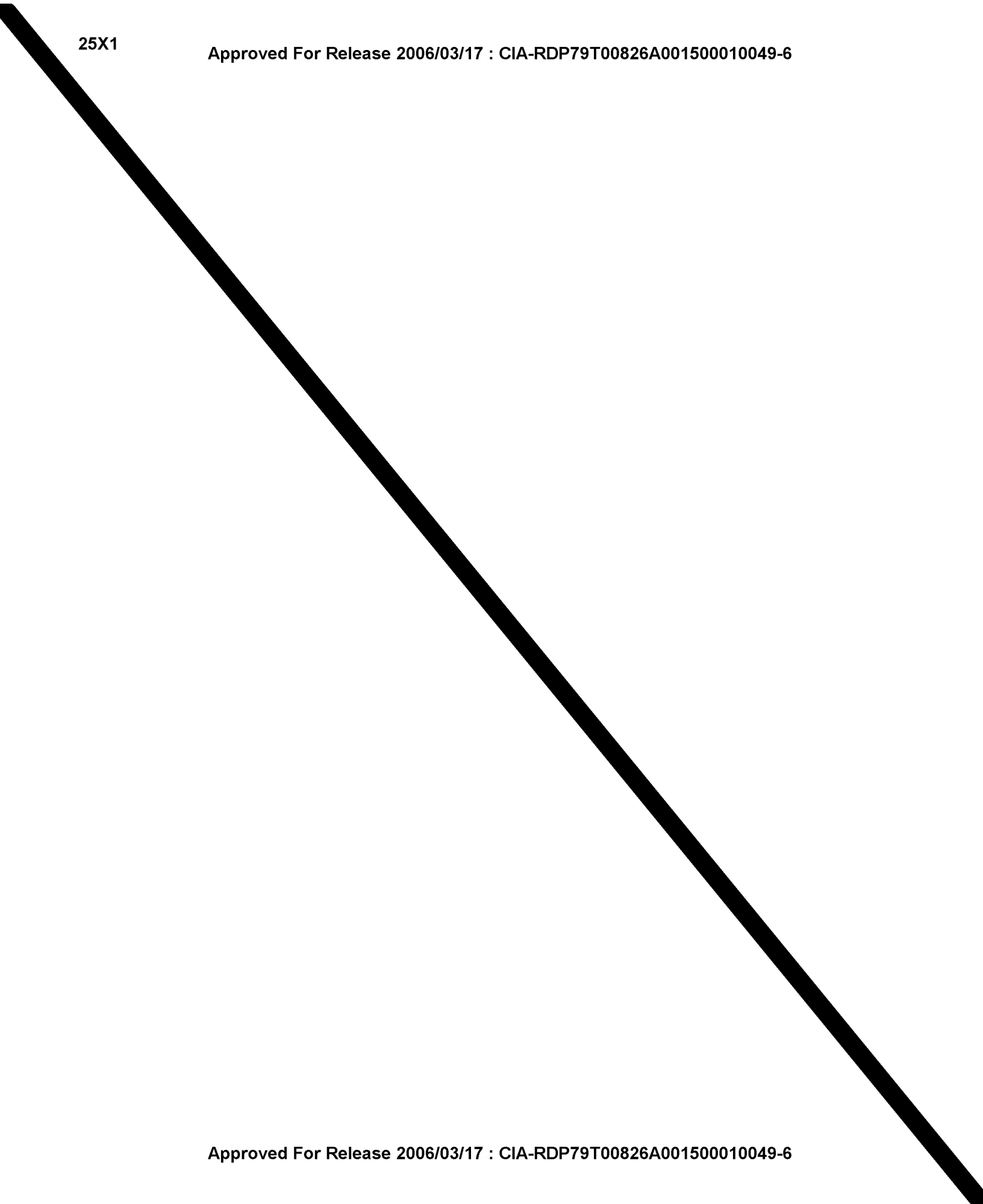

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Information as of 1600
27 December 1966

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HIGHLIGHTS

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I. The Military Situation in South Vietnam: At least 24 Americans were killed and 48 wounded as the result of a Communist battalion-size attack against an artillery position in Binh Dinh Province early on 27 December (Para. 1). Fifteen enemy soldiers were killed by US Marines in coastal Quang Ngai Province (Para. 2). A South Vietnamese district headquarters near Da Nang was attacked on 27 December and one South Vietnamese was killed and one wounded (Para. 3). A base camp of the US 1st Infantry Division north of Saigon was hit by 30-50 rounds of mortar fire and one American was killed and 17 were wounded (Para. 4). Forty-four Viet Cong were reported killed by an ARVN force in the Mekong Delta early on 26 December (Para. 5).

II. Political Developments in South Vietnam: An attempt to assassinate prominent Constituent Assembly member, Dr. Phan Quang Dan was made on 27 December (Paras. 1-2). The strike of the Saigon port by Vietnamese stevedores continued for the second day without a settlement in view (Paras. 3-5). The Constituent Assembly has been informed by Chief of State Thieu that the government cannot honor the assembly's request that its basic charter be altered (Para. 7).

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III. North Vietnamese Military Developments:

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US destroyers sighted approximately 500 watercraft north of Dong Hoi during the Christmas truce (Para. 3). POL shortages in Military Region IV were caused by mismanagement, according to recently intercepted messages (Para. 4).

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V. Communist Political Developments: There is nothing of significance to report.

VI. Other Major Aspects: An increase in the Australian force commitment to South Vietnam is announced (Paras. 1-2).

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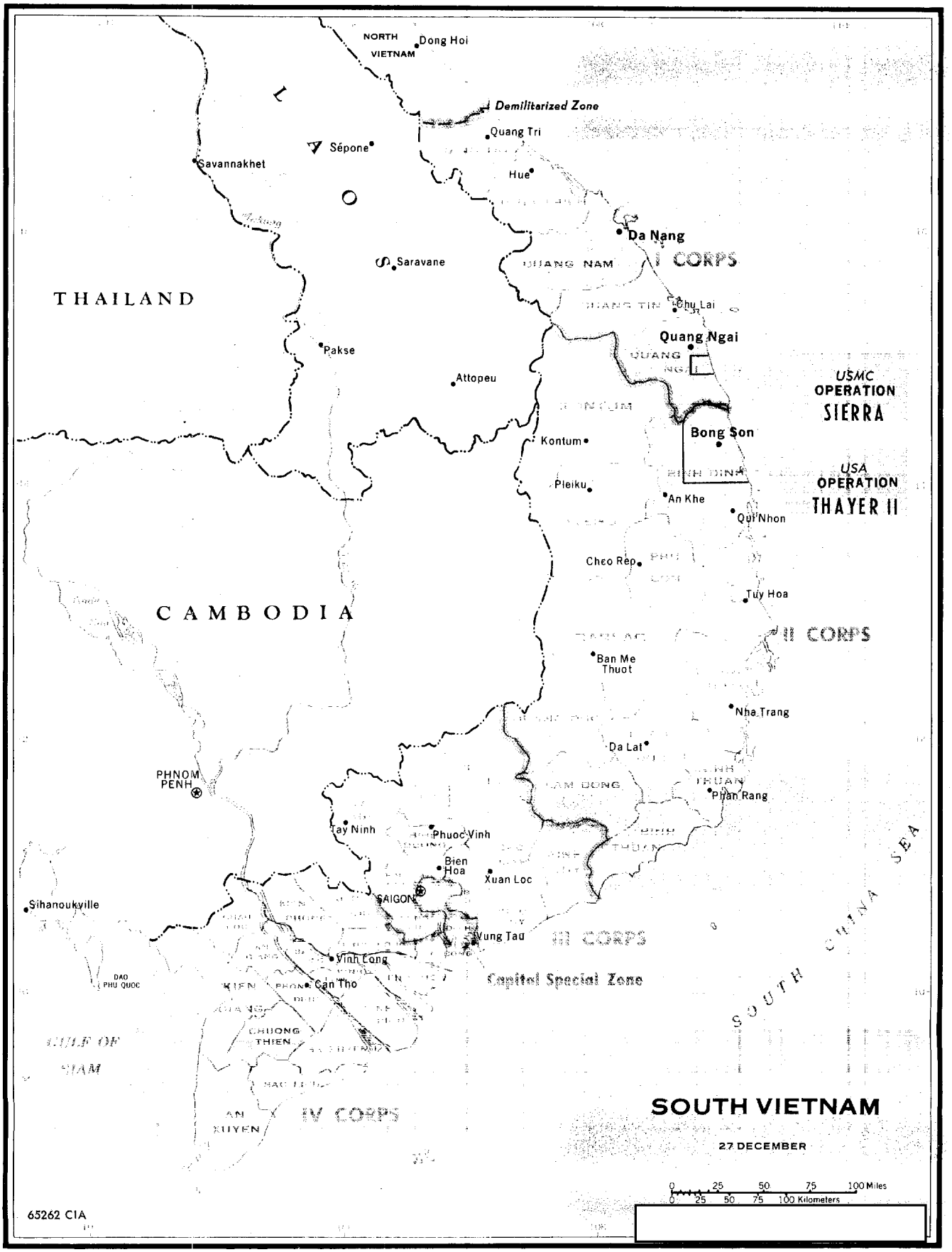

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. A battalion-size Communist force--possibly elements of the 22nd North Vietnamese Army (NVA) Regiment of the 1st NVA Division (formerly the 610th Division)--attacked artillery positions of the US 1st Air Cavalry Division--part of Operation THAYER II--set up adjacent to a helicopter landing zone near Bong Son in coastal Binh Dinh Province early on 27 December. The attack commenced with the firing of more than 100 mortar rounds into the perimeter of the American position, followed by a ground assault. The attackers overran several artillery emplacements and destroyed one 155-mm. howitzer and damaged two others. US flareships, artillery, and armed helicopters supported the US force and two companies of reinforcements were helilifted into the area. Preliminary casualty reports indicate that 24 Americans were killed and 48 wounded compared with 43 Communist soldiers killed.

2. Fifteen Communist soldiers were killed on 27 December by US Marines conducting a two-hour sweep about 13 miles southeast of Quang Ngai city in coastal Quang Ngai Province. The marines, participating in search-and-destroy Operation SIERRA, reported no casualties. Cumulative casualty figures for this operation, which began on 11 December, are two Americans killed and 17 wounded. Enemy losses are 64 killed and ten captured.

3. A South Vietnamese district headquarters nine miles south of Da Nang in Quang Nam Province was attacked by an enemy force early on 27 December. During a two-hour battle one South Vietnamese was killed and one wounded. Communist losses were 14 killed and three wounded.

4. A base camp of the US 1st Infantry Division 14 miles north of Saigon in Binh Duong Province was hit by 30-50 rounds of 81-mm. mortar fire on 27 December. One American was killed and 17 wounded. One helicopter, four light observation aircraft, and several trucks were damaged. Enemy casualties are unknown.

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5. A battalion-size South Vietnamese Army (ARVN) force established contact with a Viet Cong force of unknown size early on 27 December in the Mekong Delta province of Chuong Thien. One American adviser and four ARVN soldiers were wounded. Forty-four Viet Cong were killed and four were captured.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

1. An attempt to kill leading Saigon politician and Constituent Assembly member, Dr. Phan Quang Dan, was made late in the afternoon of 27 December. Dan had reportedly just left his automobile after parking it in front of his office on the outskirts of Saigon. He was about 60 feet from the car when it exploded, presumably from a charge of plastic explosive. Dan's injuries were slight, but one Vietnamese bystander was killed and five were wounded. 25X1

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2. The assassination attempt came only 20 days after prominent assembly member Tran Van Van was shot to death on his way to an assembly session. Dr. Dan, like Van, has been outspoken in defense of the independent, civilian view of the future government for which the assembly is writing the constitution. Dan was the former chairman of the Gia Dinh Province Council before winning a seat in the assembly.

Strike at Saigon Port

3. Stevedores at the commercial and military sections of the Saigon port stayed off the job for the second day despite continued negotiations between dock worker union officials, Vietnamese Labor Ministry officials, and US Mission representatives. The ostensible issue is the status of some 600 Vietnamese workers who were released from work at New Port, which is now operated solely by the US military. The union representatives continue to demand reinstatement of the Vietnamese workers. As an emergency measure, a US transportation battalion has been called in to unload military supplies from six ships at the military section of the port.

4. The minister of labor told mission officials on 27 December that he believed that the strike might last two or three days. He also said that he is

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attempting to isolate the two leaders behind the strike, the secretary-general of the Saigon Council of Trade Unions and the secretary-general of the Dock Workers' Union, from their parent organization, the Vietnamese Confederation of Labor (CVT), and from the stevedore companies.

5. Both of the rebel union leaders have reportedly threatened to widen the strike to include other dock workers throughout the country as well as other types of workers in Saigon who belong to the municipal Council of Trade Unions. So far, the president of the CVT has been powerless to impose his authority over the secretary-general of Saigon wing (the Council of Trade Unions) of the CVT.

Constituent Assembly Activities

6. During the 27 December session, the Constituent Assembly voted broad approval of a future council to advise the government on cultural and educational policies. Provision for the council will be made in the constitution.

7. According to the press, Chief of State Nguyen Van Thieu officially advised the assembly that its appeal for amendments in its basic charter could not be honored. The amendments, if accepted by the Directorate, would have limited the Directorate's powers of revision over the draft copy of the constitution before it became law. The Directorate will retain its right to amend the draft constitution under Article 20 of the assembly's founding charter.

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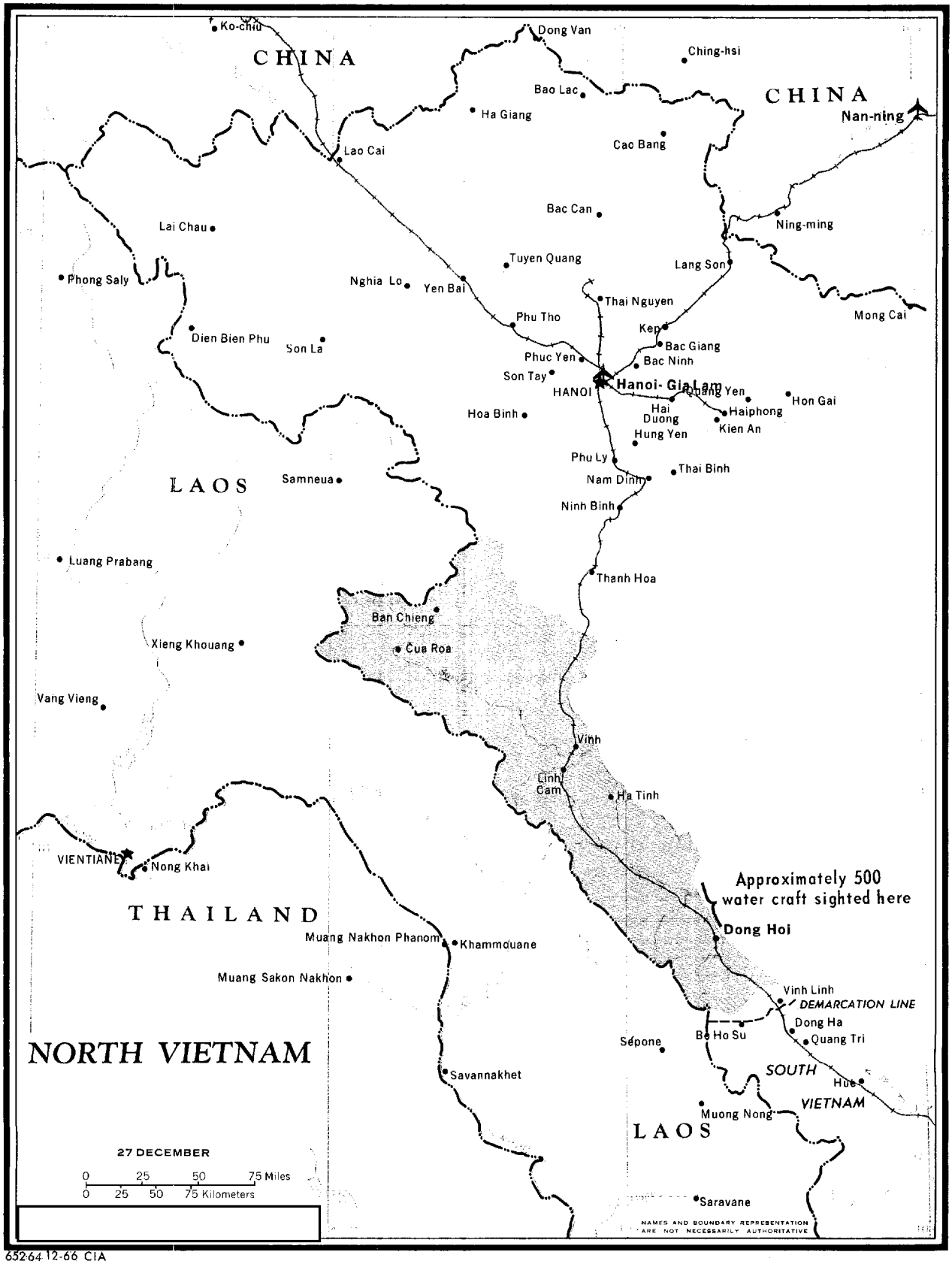

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

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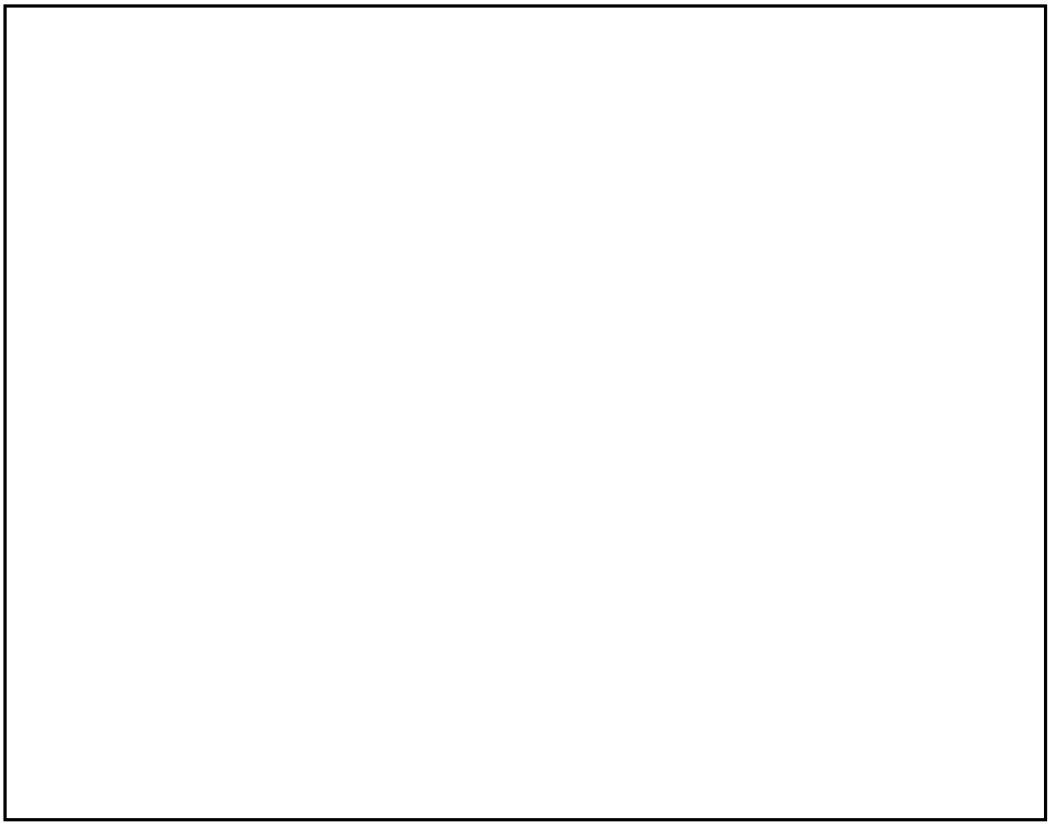

North Vietnamese Take Advantage of Cease-Fire

3. US destroyers patrolling off the southern North Vietnamese coast have reported sighting approximately 500 watercraft in the area north of Dong Hoi during the 48-hour Christmas cease-fire. Included in the sightings were 15 large steel-hulled vessels which appeared to be laden with supplies. The 500 or so sightings almost equal the total number of ships sighted since US destroyers first began to patrol the DRV coast on 26 October.

POL Shortages in MR-IV Caused By Mismanagement

4. Recent intercepted messages confirm that petroleum shortages reported by work camps in North Vietnam's Military Region IV have been caused by

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mismanagement rather than any national shortage. In an 8 December message, the Directorate of Work Camps rejected appeals by Work Camp 2 for more fuel and the trucks to transport it. According to the Directorate, the work camp's fuel supply had been cut off after the camp failed to pay past bills. The Directorate said the camp had sufficient trucks on hand for transport if mismanagement at the camp was overcome and the trucks properly utilized. The work camp's contention that bad weather caused it to fail to complete assigned tasks was rejected on the grounds that other work camps in the same area had satisfactorily completed their assignments. By 21 December, according to another intercepted message, Work Camp 2--apparently having improved its operations--had completed stockpiling its fuel for the first quarter of 1967.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. There is nothing of significance to report.

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VI. OTHER MAJOR ASPECTS

1. Malaysia late last week concurred in the withdrawal of one squadron of eight Australian Canberra bombers from Butterworth Air Base in northwestern Malaysia for redeployment to South Vietnam.

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2. Meanwhile, in Australia, Prime Minister Holt announced that his government's plans for increasing Australia's assistance for South Vietnam "during the early months of the new year" call for increasing the over-all number of Australian personnel in South Vietnam from 4,600 to 6,300. In addition to the squadron of Canberras, the planned increase includes 900 army personnel (raising the army's total to 5,200) and a small navy contingent made up of the destroyer HMAS Hobart and an underwater obstacle clearance diving team. A team of Australian officers is slated to arrive in Saigon early in January to discuss preparations related to the increase.

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